

## Message Text

UNCLASSIFIED

PAGE 01 KUWAIT 05130 010859Z

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 RSC-01 /019 W

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R 010702Z DEC 74

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

INFO SECSTATE WASHDC 1624

AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY DOHA

AMCONSUL DHAHRAN

AMEMBASS Y JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

UNCLAS KUWAIT 5130

USDOC FOR DONALD LINVILLE, FISS

E.O. 11652: N/A

TAGS: EIND, BMEP, ECRE: KU

SUBJ: COUNCIL OF MINISTERS APPROVES KUWAIT CABLE AND  
WIRE FACTORY

REF: A) KUWAIT 0687 B) USDOC OM, FEB 28, 1974

1. AFTER SEVERAL YEARS IN TALKING STAGE, KUWAIT'S PROPOSED CABLE AND WIRE FACTORY WAS APPROVED BY GOK COUNCIL OF MINISTERS DURING THEIR NOV 24 MEETING. COUNCIL'S APPROVAL WAS LAST HURDLE FOR PROJECT AND MEANS FOUNDERS ARE FREE GO AHEAD WITH PROJECT.

2. HOWEVER, ONE POSSIBLE SNAG IS COUNCIL'S DECISION TO GIVE PROJECT FOUNDERS ONLY 10 PERCENT OF COMPANY'S SHARES WHEN THEY HAD HOPED TO TAKE LEGAL LIMIT OF 25 PERCENT. CHAIRMAN OF FOUNDER'S COMMITTEE, MOHAMMAD ABDULMOHSIN AL-KHARAFI, TOLD EMBOFF HIS GROUP WOULD TRY TO GET THIS RULING REVERSED. GOK ITSELF WILL TAKE 30 PERCENT OF SHARES AND REST WILL BE SOLD TO  
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PAGE 02 KUWAIT 05130 010859Z

GENERAL PUBLIC. IT NOT CLEAR TO US IF FOREIGN PARTNER WILL BE

PERMITTED OR IF GROUP WILL PROCEED ON TURNKEY BASIS ONLY.

3. IN ANY CASE, EMBASSY HAS RECEIVED EXPRESSIONS OF INTEREST FROM SOME LEADING US FIRMS THIS FIELD AND BELIEVES TIME FOR RENEWED ACTION THEIR PART FAST APPROACHING.

4. REQUEST COMMERCE SPECIFICALLY NOTIFY COMPANIES/INDIVIDUALS LISTED BELOW OF PROJECT'S APPROVAL AND HAVE THEM CONTACT MOHAMMAD ABDULMOHSIN KHARAFI, GULF CABLES AND ELECTRICAL INDUSTRIES CO., P.O.BOX 1196, KUWAIT, KUWAIT WITH RENEWED EXPRESSIONS OF INTEREST. SUGGEST THEY ALSO PROVIDE ECON/COMMERCIAL OFFICER THEODORE KATTOUF WITH INFO COPIES FOR POSSIBLE FOLLOW-UP WITH KHARAFI AND OTHER COMMITTEE MEMBERS. COMPANIES ARE: HAROLD LYNCH, DIRECTOR INT'L MARKETING, ANANCONDA CABLE AND WIRE CO. TEL (203) 661-0090, GREENWICH OFFICE PARK 3, GREENWICH, CONN. 06830; THOMAS ALAIMO, CERRO METAL MANUFACTURING CO., 300 PARK AVE., NEW YORK, N.Y. 10022, TEL (212) 688-8822; ROBERT SABA, USS ENGINEERS, 600 GRANT STR., PITTSBURGH, PA. 15230, TEL (412) 391-8115; MR. AHMAD EL-HINDI, FILTERTECH INC., P.O.BOX 217 FAIRGROUNDS DRIVE, MANLIUS, N.Y. 13104 TEL (315) 682-8815; MR. HERRY LAMBERT, GROUP V.P., PHELPS-DODGE INT'L CORP., 437 MADISON AVE., NEW YORK, N.Y. 10022, TEL (212) 751-3200; AND CARL METZGER, MASI EXPORT CO., 1725 K STREET, N.W. WASHINGTON, D.C. 20006.

5. COMMENT: CABLE AND WIRE PLANT ONE OF MOST SIGNIFICANT APPROVED TO DATE OUTSIDE OF PETROLEUM SECTOR. PROJECT ESTIMATED COST KD 3-4 MILLION (KD1 EQUALS \$3.38) AND WILL EVENTUALLY EMPLOY UP TO 200 WORKERS -- A LARGE COMMITMENT OF MANPOWER FOR A COUNTRY SENSITIVE TO IMPORTING EXPATRIATE LABOR. WE HAVE IMPRESSION KHARAFI MAY BE DISPOSED TOWARDS EUROPEAN FIRMS ON THIS PROJECT BUT OTHERS ON COMMITTEE FAVOR US COMPANIES. IT NOT CLEAR WHO WILL FINALLY BE BOARD CHAIRMAN AS ELECTION CANNOT BE HELD UNTIL SHARES ISSUED TO PUBLIC AND GOK APPOINTS ITS BOARD MEMBERS.  
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## Message Attributes

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